

D. DISADVANTAGED BUSINESS ENTERPRISE (DBE)

This legislation requires a grantee to contract at least 10% of a project's work to a Disadvantaged Business Enterprise (DBE). A DBE must be 51% owned or controlled by minorities or women. If a grantee does not award this work to a DBE it must make a very good case for the reason.

E. BUY AMERICA ACT

Section 165 of the Buy America act stipulates that any "procurement of bus and other rolling stock (including train control, communication, and traction power equipment) under the Urban Mass Transportation Act of 1964 must have components and subcomponents which total at least 60% of the cost of the vehicle or equipment and final assembly of the vehicle or equipment must take place in the U.S." The figure of 60% took effect on October 1, 1991. It was previously 55% of the cost.

In calculating the components' costs, labor costs involved in final assembly are not included in the calculation.

Under this Act, if a transit authority purchases more than ten buses, a transit authority official must be on site of the U.S. facility as the vehicles are being assembled to confirm that 60% of the components are U.S.-made.

The Department of Transportation's final ruling may be found in the Federal Register, 49 CFR Part 661, Part IV, January 9, 1991.

F. JONES ACT

In the Code of Federal Regulations, Title 46, under Law 46 USC 289, it stipulates that "no foreign vessel shall transport passengers between ports or places in the U.S., either directly or by way of a foreign port, under a penalty of \$200 for each passenger so transported and landed."

This Act is popularly named The Jones Act and is part of the Merchant Marine Act of 1920. It also stipulates that "No merchandise shall be transported by water, or by land and water, in any other vessel than is built in and documented under the laws of the U.S. and owned by persons who are citizens of the U.S."

This law is one of the U.S. "cabotage" laws which are a series of laws designed to guarantee the participation of its citizens in its own domestic trade. Any exceptions to this Act, are only made after a foreign company has received Congressional exemption stating that such a vessel cannot be made in the U.S. or is not available.

For Canadian ship and boat manufacturers seeking to sell their vessels stateside, this law all but prohibits this from occurring.